

**Cook County Bureau of Economic Development (CCBED)**  
**Economic Development Advisory Committee**  
**(EDAC)**

***Meeting Minutes***

September 25, 2013

**Call to order and Roll call**

Chairman Howard Males to order the regular meeting of the Economic Development Advisory Committee (EDAC) at 8:04 am on September 25, 2013 at 69 West Washington, Chicago, IL 35<sup>th</sup> Floor. Irene Sherr conducted the roll call.

**Members Present:** Ms. Lynn Cutler, Mr. Joseph Flanagan (submitted a proxy) Mr. Graham C. Grady, Mr. Howard Males, Ms. Pam McDonough; Commissioner Andrew Mooney, Ms. Diane Morefield (submitted a proxy), Ms. Joanna Green for Ms. Karen Norton-Reaves, Mr. Ed Paesel, Mr. CJ Rog, and Mr. Herman Brewer

**Members Absent:** Commissioner Jesus Garcia, Ms. Wesley J. Lujan, Ms. Victoria Smith, Mr. Edward Sitar, Mr. Richard Pellegrino. Mr. Pellegrino stated that he was resigning from EDAC (per Howard Males and Irene Sherr).

A quorum was established.

**CCBED Staff Present** – Michael Jasso, Courtney Pogue, Dominic Tocci, Jennifer Miller, Elaine Romas, Sheryl Stewart-Caldwell, Barbara Maloof and Irene Sherr

**Presentations:**

**RLE Corporation – Class 7b Property Tax Incentive**

Steven B. Pearlman

Annie Reed (Steven B. Pearlman & Associates)

Gary O'Rourke (Village Manager - Village of Streamwood)

Ted Cesarz (RLE Property Corporation)

Michael Laube (Laube Companies)

**Elizabeth Kneebone and Alan Berube**

Authors of "Confronting Suburban Poverty in America"

Chairman Males opened the floor for public speakers. No public speakers were present at the meeting.

**I. Approval of Minutes from the July 24, 2013**

Chairman Males asked for a motion to approve the minutes from the July 24, 2013 meeting. EDAC members voted unanimously to approve the minutes.

**II. Howard Males Remarks/Announcements**

- a) Chicago Innovations Awards. President Preckwinkle will be speaking at the awards ceremony October 30, 2013. Cook County was among the top 100 contestants being considered to win the 2013 Chicago Innovations Award. Chairman Males thanked Elaine Romas of the Cook County Bureau of Economic Development for her efforts in getting the Cook County submitted to the program.
- b) Chairman Males announced that President Preckwinkle will be the featured speaker at the November 20, 2013 EDAC meeting. The agenda will be open so that the President can discuss her goals for EDAC and for economic development within Cook County and region.
- c) Chairman Males reminded the EDAC Members to take the Open Meetings Act training before the deadline date expires.
- d) Chairman Males stated that he and several other members would need to leave early and the agenda will be taken out of order to review the Class 7b application first and then remarks from the guest speaker.
- e) Chairman Males urged the approval of the EDAC by-laws. The establishment of active sub-committees will make the work of the full Committee more efficient and focused. The members unanimously approved the amended changes to EDAC bylaws. Chairman Males stated that the bylaws are a living document and will grow with EDAC goals and objectives.
- f) Chairman Males opened the floor for discussion prior to approval of the EDAC bylaws. Vice Chair Pam McDonough requested revision to Article IV-the Membership section of the bylaws by adding the following: 1. Representatives from the region's major industrial clusters like manufacturing, transportation, logistics, metals and food processing sectors; 2. Representatives from business and economic development organizations.
- g) Chairman Males thanked those who already assigned to a subcommittee. He also stated those members who do not pick a subcommittee he will assign a subcommittee.

- h) Chairman Males invited current members to offer names of potential candidates for EDAC membership directly to the Governance Sub-Committee for consideration. Suggestions will be reviewed by Governance members, and may be referred to the EDAC Chairman for referral and/or nomination to the President. The President will make the all new membership decisions (as per by-laws).
- i) Chairman Males opened the floor for introduction of the Class 7b tax incentive application. Courtney Pogue gave a brief description of the application for RLE Corporation a Toyota dealership which is purchasing and building a new flag ship headquarters in Streamwood Illinois.
- j) Ted Cesarz, CFO of the Robert Loquercio Auto Group, gave a detail description of their current holdings and the proposed development project. The project site consists of 15.5 acres located 1580-1640 E. Streamwood, IL. The project is new construction of a 60,000 sq. ft. full-service automobile dealership with on-site parking and storage for 960 cars. The development project will result in the creation of approximately 185 construction jobs, retain 125 jobs, and create 25 new jobs. The applicant stated that the project will not occur if the 7b is not approved.
- k) Steven B. Pearlman of Steven B. Pearlman and Associates reviewed the tax analysis which showed a decline of 16% in property taxes over the past 6 years for the subject site. Mr. Pearlman also reviewed the applications for compliance with the five eligibility factors that are required for the site to be eligible for a Class 7b.
- l) Michael Laube of Laube Companies reviewed the financial analysis and stated due to the overwhelming blight of the site that “but for” the class 7b and Toyota providing financing for the project, in the range of \$12 million of the \$14 million, the project would not be financially viable.
- m) Chairman Males asked if the 7b tax incentive was the only contingency for closing (purchase of property). Mr. Pearlman replied yes. Mr. Graham Grady asked “What is the environmental condition of the property”? Mr. Pearlman replied that based on the environment testing completed the property has passed the requirements of the State of Illinois. Vice Chair McDonough ask for the classification of the surrounding property. Mr. Pearlman replied “industrial”.
- n) Mr. Ed Paesel asked “if the property is located in a TIF District and if there is a Sales Rebate Agreement”. Mr. Gary O’Rourke, Village Manager of the Village of Streamwood replied the property is not located in a TIF district. Mr. O’Rourke stated the Village prefers not to do a TIF because of its effect on other taxing bodies. The Village of Streamwood is located near Kane and DuPage Counties and the Village for years has supported the Class 6b as a means to be competitive and attract

businesses to Streamwood. This is the Village's first venture that has used a Class 7b which will reap some benefits to all taxing bodies. The Village of Streamwood did not institute a sales tax rebate agreement as another incentive from the Village to have this project move forward.

- o) Herman Brewer requested an explanation for the one vote against the class 7b by the Village Board. He also asked Mr. O'Rourke to speak on how the Village stayed competitive being one of the border communities of Cook County.
- p) Mr. O'Rourke responded in reference to the vote of 5 to 1 as unusual. Mr. O'Rourke thought the nay was political, the person who voted against the Class 7b ran against the mayor in the last election. Mr. O'Rourke also stated that the Village works very closely with their industrial businesses and has approved 29 Class 6b tax incentives. Without the tax incentive it would be almost impossible to attract new businesses to Streamwood and Cook County.
- q) Chairman Males asked if the applicant be would come back in the next 18 months and speak upon the outcome of the project concerning employment. Mr. Graham Grady stated he would also like to hear about the outcome of the sales tax generated when the applicant came back.
- r) Ms. Lynn Cutler asked since the property is located near other counties is there a push to hire workers within Cook County? Ted Cesarz stated that RLE Corporation has reached out to Chicago-Cook Workforce Partnership and has spoken to Phaedra Leslie and the company's plan would be to look within the community and Cook County first for qualified individuals.
- s) Chairman Males asked for a motion to approve RLE Corporation Class 7b tax incentive. The motion was moved by Mr. Graham Grady and seconded by Pam McDonough. The Committee voted unanimously to approve the Class 7b. The applicant agreed to return to report to EDAC if so requested by the Chairman.
- t) Chairman Males then turned the meeting over to Vice Chairman, Pam McDonough.
- u) Herman Brewer acknowledged the new members of EDAC, Mr. Wesley J. Lujan, Assistant Vice President of Government Affairs, Union Pacific Railroad and Mr. CJ Rog, Government Affairs Manager, MI-Jack Products. He also introduced Mike Jasso as the new Director of Planning and Development for the Cook County Bureau of Economic Development.

## **VII. Introduction of Guest Speaker by Herman Brewer**

- a) Herman Brewer introduced Elizabeth Kneebone and Alan Berube the co-authors of “Confronting Suburban Poverty in America”.
- b) Elizabeth Kneebone gave a presentation on the growing poor population in suburban America. She discussed the economic factors that have contributed to these trends. Her presentation focused on the Chicago’s poverty trends and how they been similar to the trends being experienced in other major cities. There was a discussion on the challenges of traditional methods of combating poverty and ways to modernize the process.

### **VIII. Comprehensive Economic Development Strategy (CEDS) Update**

- a) Mike Jasso spoke specifically about the CEDS update. The department is working on the CEDS update as it is required under EDA to apply for any other grants. The plan also includes the City of Chicago. The plan will be presented before the EDAC committee. There is a kick-off date of October 24, 2013 in which the committee is invited to participate. The ultimate plan is to have a plan in place by February 2015 which will cover the next five years.
- b) Mike Jasso also spoke on the Consolidated Plan (ConPlan) which is required by HUD for CDBG, HOME and ESG and any emergency funds received. Unlike the CEDS plan, the ConPlan is specifically for Suburban Cook County. The ConPlan is critically important to put a concise framework to how Cook County uses its funding sources and resource allocation for economic development. Both plans will be launched together as a comprehensive planning process for Cook County. This is the first time HUD has allowed a county to combine both plans as one unified planning process. CMAP will be helping with the technical assistance.

### **IX. Adjournment**

Vice Chair Pam McDonough requested a motion to adjourn. Graham Grady motioned to adjourn. The motion was seconded by CJ Rog. The meeting was adjourned at 9:35 a.m.

Minutes submitted by: CCBED – Sheryl Stewart-Caldwell